

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6731**

**BILL NUMBER:** SB 279

**NOTE PREPARED:** Apr 4, 2005

**BILL AMENDED:** Mar 29, 2005

**SUBJECT:** Various Environmental Matters.

**FIRST AUTHOR:** Sen. Gard

**FIRST SPONSOR:** Rep. Wolkins

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill contains the following provisions:

*Solid Waste Management Districts:* This bill extends the period in which a solid waste management district that owns its own landfill must file a report with the state board of accounts. It exempts a district from the requirement that the fiscal body of a county in which a district is located must approve the use of certain property tax revenue within the district if the district: (1) owns a landfill; (2) will use property tax revenue to construct a new landfill cell or close a landfill cell at the landfill; and (3) has received approval from the county fiscal body to construct or close the landfill cell.

*Environmental Permit Applications:* The bill provides that good character requirements apply only to an application for the issuance, transfer, or major modification of a permit for a solid waste processing facility, solid waste disposal facility, or hazardous waste facility. It excepts from the requirements certain entities that already hold permits, but limits the exception in certain cases where ownership interests change. The bill expands the definition of solid waste processing facility. With respect to requirements to demonstrate local or regional need for applications for permits for certain solid waste facilities, it excepts certain limited liability companies from the requirements and applies the requirements to solid waste disposal facilities instead of solid waste management facilities. The bill also repeals certain requirements concerning the submission of disclosure statements by solid waste operators and responsible parties, and the posting of surety bonds by nonresident operators.

*Landfill Setbacks:* The bill requires certain solid waste landfills that only accept construction\demolition waste to comply with setback requirements concerning public schools established by the solid waste management

board for municipal solid waste landfills.

**Effective Date:** (Amended) January 1, 2005 (retroactive); July 1, 2005.

**Explanation of State Expenditures:** (Revised) *Environmental Permit Applications:* For the good character, demonstration of need, and disclosure requirements, a permit applicant must currently submit to IDEM certain information concerning the facility. IDEM would no longer be required to receive and review such information for certain permit applicants. If fewer applicants submit information on their good character, demonstration of need, or disclosure requirements, the Department would conduct fewer investigations regarding the validity of such information. Exempting certain permit applicants from these requirements should enable the Department to save resources related to reviewing the information, such as administrative staff time and investigative staff time.

*Penalty Provision:* Any person who intentionally, knowingly, or recklessly violates environmental management laws commits a Class D felony. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

**Explanation of State Revenues:** (Revised) *Environmental Permit Applications:* The bill clarifies that facilities where the following are located are considered to be solid waste processing facilities: medical or infectious waste treatment facilities, solid waste solidification facilities, or plasma arcs or other sources of heat. Depending on the type of solid waste permits issued, the Department could experience an increase in revenue by an indeterminable amount. Revenue generated from such permit fees are deposited in the Environmental Management Permit Operation Fund.

*Landfill Setbacks:* Anyone who violates a provision related to environmental management laws may be assessed a civil penalty of up to \$25,000. Revenue from civil penalties issued for violating environmental laws is deposited in dedicated funds depending on the nature of the violation.

Also, any person who intentionally, knowingly, or recklessly violates environmental management laws commits a Class D felony. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. However, any additional revenues would likely be small.

**Explanation of Local Expenditures:** (Revised) *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

**Explanation of Local Revenues:** (Revised) *Solid Waste Management Districts:* According to current statute, solid waste management district boards must provide the county fiscal bodies within its district identical resolutions seeking approval for the use of property tax revenue in a year when the board seeks to increase its portion of the tax rate by more than 5%. This bill exempts solid waste management districts who own a landfill from this requirement, however, approval of the county in which the landfill is located must be received. This provision could make it easier for the board to exercise its current taxing authority.

*Background:* Bartholomew County Solid Waste Management District was the only district owning and operating a landfill as of September 2004. Monroe County Solid Waste District owned and operated its own landfill until early August 2004 when it was closed to the public. Both districts consist of only one county each.

The Bartholomew County Solid Waste Management District's tax levies over the past ten years are provided in the following table. The years in which the tax levies increased by five percent or more are bolded.

| <b>Year<br/>Tax Paid</b> | <b>Tax<br/>Levy</b> | <b>Percent Change from<br/>Previous Year</b> |
|--------------------------|---------------------|--|
| 2004                     | \$557,929           | 0.9%   |
| 2003                     | \$553,062           | -1.9%  |
| 2002                     | \$563,525           | -0.4%  |
| <b>2001</b>              | <b>\$566,060</b>    | <b>77.2%</b>                                 |
| 2000                     | \$319,437           | -62.1%                                       |
| 1999                     | \$843,699           | -22.9%                                       |
| 1998                     | \$1,094,097         | -1.4%  |
| 1997                     | \$1,109,315         | -2.0%  |
| <b>1996</b>              | <b>\$1,131,555</b>  | <b>87.6%</b>                                 |
| 1995                     | \$603,312           | -45.2%                                       |
| 1994                     | \$1,100,498         |  |

*Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

**State Agencies Affected:** IDEM; Department of Correction.

**Local Agencies Affected:** Bartholomew County Solid Waste Management District; trial courts, local law enforcement agencies.

**Information Sources:** Association of Solid Waste Management Districts; Local Government Database.

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